



## **Terms of reference for delivery of two lectures at the online “e-coaching” on actuarial studies**

### **1. Objective**

The EU-China project - Improving China’s institutional capacity towards universal social protection is a partnership between the ILO, the EU and the Ministry of Human Resources and Social Security (MOHRSS) of China, and is implemented by the ILO and China Social Insurance Administration. As part of this project, the ILO office for China and Mongolia is implementing an online e-coaching program for Chinese actuaries. These seminars aim at improving the understanding of actuarial models used for the valuation of social security pension systems, actuarial reporting and application of actuarial techniques, through introducing international practices and case studies. Participants are expected to effectively improve their capacity of solving specific actuarial issues in their daily work. They also aim to highlight different pension trends, reforms and financing approaches in selected countries and the role of actuaries within these schemes. These TORs define the conditions for the support of an external collaborator to the delivery of two online lectures.

### **2. Products and timeline**

The external collaborator will contribute to two technical sessions and preparatory exercises by delivering the following products:

**Product 1. Preparatory exercise for session A** by 20<sup>th</sup> May 2021

**Product 2. Delivery of session A (1 hour)** by 5<sup>th</sup> June 2021 (Precise Date TBC)

**Product 3. Preparatory exercise for session** by 20<sup>th</sup> June 2021

**Product 4. Delivery of session B (1 hour)** by 10<sup>th</sup> July 2021 (Precise Date TBC)

### **3. Method of delivery**

The external collaborator will work under the technical coordination of Simon Brimblecombe at the ILO Office in Bangkok and the programme coordination of Zhou Jie at the ILO office in Beijing.

Three weeks before each session the external collaborator will prepare a short exercise related to the issues to be covered and have it sent to participants via the ILO Beijing office. The external collaborator will review the exercises in preparation for the technical session.

The external collaborator will prepare the technical session on the topics to be covered. The session will include feedback on the exercises and will cover some of the key questions asked by the participants, as well as international examples, case studies, quizzes where appropriate and the chance for participants to raise further issues.

The external collaborator will present on the following topics:

Session A - Payment of pension benefits, reform of retirement age and automatic adjustment mechanisms 28<sup>th</sup> May 2021 (tentative date)

- The role of the actuary in the calculation, risk assessment and policy issues related to different payment methods of pension benefits
- Building up the population model in a valuation model (including mortality considerations)
- Costing of pension increases and indexation of other benefits – what assumptions and what impact on cash flow projections
- The role of actuaries in determining automatic adjustment mechanisms

Session B - Risk management and investment of social insurance reserves. 10<sup>th</sup> July 2021 (tentative date)

- Risk Management in social security retirement systems: mechanisms and best practices
  - Analysing the different risks (eg inflation, salary, mortality, investment etc)
  - Sensitivity analysis and its role in risk management
- How benefit design impacts risk
- Using the results of the actuarial valuation to reduce risk
- Optimal financing mechanisms and funding targets

#### **4. Budget**

To be proposed by the applicant. The applicants should send their applications indicating their daily fees with their CV to Ms Luis Frota, [frotal@ilo.org](mailto:frotal@ilo.org) no later than 5<sup>th</sup> May 2021, 12.00 pm Beijing time.



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